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SUPPLY MANAGEMENT BRANCH

1. An examination of Supply Management Branch (SMB) was conducted on 29 March and 1 April to analyze work flow and to look for areas where efficiencies might be realized through the elimination of processing steps or changes in methods. While time did not permit the examination of every detail of the SMB operation, sufficient observations were made to suggest some areas where improvements are possible.

2. When one considers the conditions under which SMB began operations on 4 March, and conditions as they exist today, it is easy to note a marked improvement. Personnel are becoming familiar with their tasks and work is flowing more smoothly and systematically. There are indications, too, that Branch management is taking an active part in developing and coordinating operating procedures. Each of the three commodity teams generally follows the same processing flow and procedures. The only significant differences appear to be, at least in part, to the staffing of the teams. Team "B" [REDACTED] is the only team which is fully staffed. Team "A" [REDACTED] does not have an Analyst, ergo Mr.

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[REDACTED] must act as both Manager and Analyst. Team "C"

[REDACTED] does not have an Identifier assigned, so that

function is being handled by the Analyst [REDACTED] with the

assistance of a detailed employee [REDACTED]. When the teams are

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fully staffed; common procedures written, tested, and applied uniformly; and personnel have gained more experience with the system, the Branch will operate more efficiently. Using a common base of procedures will allow a redistribution of personnel within the Branch in the event of illness, vacations, and pockets of backlogged work.

3. It may seem to be an insignificant difference in procedure to have customer requisitions examined and acted upon first by the Editor and then passed to the Identifier, as team "C" does, or have them examined first by the Identifier before action by the Editor, as teams "A" and "B" do; however, one of these procedures should be chosen as a standard and applied by all teams. Insignificant deviations can often result in other, more important, deviations within the organization which does not permit the effective rotation of personnel during emergencies. In general, there seems to be an effort by management and team leaders to achieve that kind of coordinated procedure development.

4. During the examination, two processing steps in particular seem to warrant question regarding the time they consume, on the one hand, and whether they are truly the responsibilities of a supply management organization on the other. Those steps concern the assignment of the procurement action unit for non-stock items, and the scheduling of depot delivery date by the procurement unit and transportation date for items being procured. Each line item for procurement is analyzed (currently by [REDACTED]), to determine whether the procurement will be placed with a commercial

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or a Government source. If a Government source, the requisition is assigned to Interdepartmental Support Branch (IDSB) for action.

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taken in total, require a considerable amount of time. In addition, if the item has not been identified and stock-numbered, these people also perform the research and identification functions.

5. The procurement unit assignment (Form 1931 - Procurement Action, Assignment, Transfer or Cancellation) becomes part of the record in the official voucher file for use by Central Control and Distribution Branch (CCDB) follow-up personnel. A copy also accompanies the action document going to PD. This system works fairly well unless SMB makes an incorrect assignment of procurement unit. When the latter happens, PD sends the Form 1931, with the action document, back to SMB with the correct unit annotated thereon. The corrected information travels its reverse route until all records are updated, then goes back to PD for action. During the course of this examination, a case like that occurred. It had been signed out of SMB on 19 March. By the time the correct assignment was determined by PD, and the documents returned to SMB for

update on 29 March, 10 days had elapsed with no action having been taken by PD. Allowing an additional day to get the action back on the track, at least 11 days of potential processing time were lost. Such instances occur frequently enough to warrant a look at the whole process to determine whether those responsibilities are properly placed.

6. Another time-consuming processing step concerns the scheduling of dates when procured items should be in the depot, and dates when those items should be packed and ready for transportation action. This scheduling process is based upon reference to a file of information containing average shipping times to overseas destinations via the various modes of shipment. Using the requisitioner's required delivery date (RDD) as the base date, the procurement dates and transportation dates are calculated accordingly. Those dates also become a basis or tickler for follow-up purposes. The process is not applied to stock items, however. That is, the transportation scheduling is determined by the Depot Control Unit. Since the schedule determined by SMB does not insure that the dates will be complied with, and in view of the effort that goes into the initial scheduling and subsequent follow-up, it is questionable whether the process is a cost/effective one.

7. Based upon observations of the processing steps described in paragraphs 4, 5, and 6 above, it is recommended that steps be taken to:

a. Discontinue the assignment of procurement unit, with the possible exception of IDSB, and transfer those responsibilities to PD. Even in the case of IDSB, assignment of actions to that Branch should not be based solely on whether the item bears a National Stock Number (NIN) but, additionally, whether the quantity justifies the cost of processing through our and the other agency's system. It is argued that effective CCDB follow-up cannot be accomplished unless the follow-up clerk knows which unit in PD has the action. If that is critical, then arrangements should be made to have PD return a copy of Form 1931 to CCDB with that information on it. If, on the other hand, complete follow-up responsibility for procurement items were conducted by PD, then the question is academic. The subject of follow-up is covered in more detail in the discussion of CCDB. In theory, it is argued further, that the appropriate vouchered or unvouchered Procurement Allotment FAN cannot be inserted on the requisition by SMB personnel unless they know who in PD will be making the procurement, thus SMB should determine the procurement unit.

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the face of personnel reductions and the imminent retirement of the two ladies currently performing the task, it would appear that the task should be moved to PD which is potentially better equipped and qualified to handle it.

Hopefully, such a move would also obviate the loss of processing time occasioned by moving documentation back and forth because of incorrect procurement unit assignments.

b. The scheduling of procurement delivery and transportation dates might also be eliminated. It is not a precise science by any means and is based, for the most part, on calculating backward from the RDD. Both PD and the depot can do the same. As noted, the Depot Control Unit does that currently on items being issued from stock. Again, if dates are scheduled by SMB so that a basis for follow-up can be created, then the whole question of who performs follow-up, when, and on what basis must be addressed. Although it might not require a lot of time to establish the scheduling, it is an additional step in the process which does not appear to be critical to the total process.

8. At the time SMB began operating under its new organization on 4 March 1974, 1,146 documents were backlogged awaiting action. Approximately 950 of those documents were customer requisitions. The balance were Property Turn-Ins (PTI), Reports of Inventory Adjustment (RIA), Disposal Documents, Back Order Releases, Receiving Reports, and Catalog Action Requests (CAR). As of 29 March, the backlog was down to 1,008 documents of which 588 were customer requisitions, and the balance consisted of the other types of actions mentioned above. Emphasis is placed on customer requisitions which are being aged, by all three commodity teams, according to RDD. It is apparent from the backlog figure,

therefore, that considerable progress is being made. Any significant delays experienced by requisitioners are not attributable to SMB -- at least not in its present operating environment. The Branch is getting its procedures formulated (albeit a bit late), personnel are becoming more familiar with their duties and responsibilities, and by eliminating some of the questionable functions, SMB promises to become a very responsive organization.

CENTRAL CONTROL AND DISTRIBUTION BRANCH (CCDB)

1. The Central Control and Distribution Branch (CCDB) has an authorized Table of Organization (T/O) of [REDACTED] positions. [REDACTED] personnel are on board and are assigned as follows:

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Authorized On Board

Office of the Chief

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* One employee assigned temporarily [REDACTED]

** One employee double-slotted pending reassignment

2. The primary function of CCDB is vouchering, reproduction and distribution of documentation, maintaining accountable voucher files, providing data input to Office of Joint Computer Services for updating records, and maintaining follow-up and status of customer requests.

3. On 4 March 1974, the effective date of the Supply Division reorganization, CCDB transferred a backlog to the Supply Management Branch of about 900 requisitions. This backlog was attributed to the closeout of the [REDACTED]

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[REDACTED] and involved a transfer from [REDACTED] of 400 requisitions that had been abstracted previously by CCDB to [REDACTED] for action, plus simultaneous receipt of 300 requisitions from East Asia Division (EA) [REDACTED] Under normal circumstances these 300

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requisitions would have been directed by the field to [REDACTED] for 25X1A processing. An additional 200 requisitions had accumulated prior to the reorganization. Currently, there is no backlog in the requisition processing area. However, delays and backlogs have been encountered in reproduction and filing and follow-up areas. These are elaborated upon further in the appropriate sections of this attachment. During the immediate post reorganization period the CD completed flow charts and requisition processing procedures which have contributed greatly to reducing processing backlogs which occurred during the period 4 - 11 March 1974 and occasioned some customer complaints.

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1. All requisitions received in CCDB are logged in the master voucher log. About 100 requisitions are received daily and are checked for appropriate signature to determine if an authorized official has signed the request. After recording, the requisitions are then logged out the ~~the~~ appropriate Commodity Teams in Supply Management Branch (See Flow Chart, addendum 1). Upon processing by SMB, the requisition is returned to CCDB for run-off and distribution. In addition to maintaining the voucher file for requisitions, the voucher control desk logs in Property turn-ins and shipments due in from overseas. The call-in requisitions are also prepared here. These call-ins are all Priority I and average about ten

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requisitions per day. The [REDACTED] is also involved in key punching operations and resolving discrepancies in the financial area, such as furnishing copies of documents for Finance to support payment of vendor's invoices.

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2. There have been no backlogs in the [REDACTED] Section since the reorganization and no problem area affecting requisition flow or delays in processing requisitions.

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3. As there are no backlogs in the [REDACTED] suggest that when possible personnel be spot reallocated to the [REDACTED] to eliminate the backlog in that Section.

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1. [REDACTED] is responsible for reproduction and/or distribution of requisitions, shipping documents, receiving reports covering those direct deliveries which do not transit [REDACTED] and other documentation as required. In addition, this section maintains the accountable voucher files for the Office of Logistics.

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2. [REDACTED] reproduces about 250 documents daily. An average requisition requires twenty copies, a shipping document eight copies and receiving reports five copies. Serious backlogs developed in this section on several occasions during the post reorganization period, as the xerox machine used in the reproduction process malfunctioned repeatedly. Since 4 March 1974 there have been eight major machine breakdowns. Although the machine was operating during the study, we understand that

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PD is attempting to obtain a replacement from the vendor because the machine installed in CCDB is a rebuilt model. During the intermittent breakdowns, the xerox machine in PD was utilized and a back-up ditto machine is available in CCDB for reproducing requisition and shipping document masters. In addition to reproducing documentation, this section is responsible for distribution of all requisitions, shipping documents and receiving reports and for maintaining the accountable voucher files.

3. Although an individual was assigned from [REDACTED] 25X1A

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[REDACTED] 28 March 1974 on a temporary basis and forty-eight hours of overtime have been expended to alleviate the backlog, the current backlog is handicapping a number of operations with some 4,000 documents remaining to be filed as of 4 April 1974. Failure to maintain the files on an up-to-date basis has resulted in an abnormal incomplete status situation on customer requests, and as a consequence unnecessary follow-ups are being made on customer requisitions.

4. CCDB is reluctant to release the master voucher file (and justifiably so) when follow-ups by PD and/or IDSB are required because of the time the files would be out, e.g., on numerous occasions PD or IDSB will require up to seven/ten days, depending upon complications, while following up on the status of requests. As in the interim period other paper-work might require filing in the same folder, particularly when there is a split stock/procurement action on a

requisition, CCDB, as an expedient, has established what amounts to duplicate files by providing all documentation in separate folders. These separate folders are checked out to PD and IDSB when follow-ups are required. These folders are filed within the master voucher file when they are returned from PD and IDSB.

5. Delays are caused in the filing process because of a requirement that all receiving reports be accounted for on a transmittal manifest sent to CCDB by the [REDACTED]. Since 25X1A the reorganization, over 2,000 receiving documents have been received from [REDACTED]. Shipping Documents are also 25X1A received for reproduction by CCDB (again over 2,000 since 4 March and under a transmittal manifest). Although during 25X1A this period, [REDACTED] on behalf of CCDB reproduced 1,000 shipping documents and distributed 8,000 copies, delays are still encountered in the reproduction, distribution and filing areas.

6. It is recommended that every effort be expended to reduce the filing backlog in MFDS through extensive overtime and where possible through the reallocation of personnel within the Supply Division, i.e., [REDACTED] CCDB, 25X1A Operational Support Branch (OSB), IDSB or Freight Traffic Branch, OD. Both OSB and IDSB are at full strength, and the recent [REDACTED] Staff Study revealed a surplus of 25X1A personnel in FTB.

7. In view of the heavy workload in [REDACTED] consider that 25X1A

25X1A [REDACTED] reproduce and make distribution on all of their Receiving Reports including those for direct deliveries to appropriate operating elements. Further recommend that

25X1A [REDACTED] reproduce and distribute all shipping documents.



8. In planning the reorganization it was not anticipated that there would be a twenty-three per cent increase in customer requisitions. This situation has caused an increase in reproduction, distribution of documentation and filing; therefore recommend that an additional clerical position be assigned to MFDS.

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25X1A 1. [REDACTED] is responsible for maintaining follow-up on customer requisitions by exception and to provide status including preparation of cables, dispatches and forwarding copies of all run-off requisitions to field activities by Transmittal Manifest. In addition CCS prepares requisitions received through [REDACTED] channels. [REDACTED] requests average 25X1A about 150 per week and include about 20% action transfers from Area Log Officers.

25X1A 2. [REDACTED] instituted the follow-up by exception prior to the reorganization of SD. Initially the change was made in July 1973. However, since the reorganization a noticeable increase in workload has developed because customers are conducting follow-up on their own requisitions. When the follow-up procedure was established the intent was to review only Priority 1 and Priority 2 requisitions and certain

selected categories. During the month of March 1974 inquiries were received primarily on requisitions in the Priority 3 and 4 category. These are not normally reviewed; however, some of these requests were four to six months old. The breakdown of the inquiries is listed below:

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	OC/MSB	33	
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		28	Cable requests during 19-day work period, 19 Mar - 2 Apr
		25	In addition to the cable requests, follow-up requested by Telepouch
	Total Requisitions	184	(Figures are not available on line items, normally requisitions average 3.2 line items)

3. As a result of the customers following up on their own requests a backlog has developed and is affecting follow-up on the higher priority requisitions. The backlog is not significant at this time but could develop into a recognizable problem if customers continue to initiate requests for status on non-priority requests. The types of items that these customers have conducted their own follow-up generally cover items in the electronic spare parts area.

4. Another problem area affecting requisition status is the backlog in the  Since 25X1A these files are not up to date queries are generated to the Depot, PD and IDSB requesting delivery/shipping information.

In many instances unnecessary follow-ups are made as it is eventually determined that the deadlines have been met and the items received and/or shipped.

5. A procedure has not been established with Procurement on expediting follow-up. Since the reorganization [REDACTED] does not call the vendor but pulls the duplicate files and sends them to PD on a transmittal manifest. If feedback is not received from PD within a reasonable time another follow-up is made, hence follow-up on follow-up. Feedback in some instances is inordinately lengthy. On cable requests for status, a copy of the cable request is sent to PD requesting a response, preferably within twenty-four hours.

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Cancellations received from the military services or other government agencies are received three to four weeks after the item has been ordered with the respective government agency. When the cancellation notice is finally received other alternatives must be explored to obtain the item causing further delays to the customer.

6. It is suggested that [REDACTED] emphasize to its customers that requisitions will be followed up normally by exception. A recommendation was made in the IDSB section of this staff

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[REDACTED]

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In order to eliminate clutter from the supply system, i.e., low dollar value items, short deadline requirements, etc., recommend that a quick reaction capability be established in

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the Office of Logistics similar to the [REDACTED]
which functioned in the past. Establishment of this facility
would eliminate about 12,000 line items being processed
through the supply system yearly. In addition the project
5,500 line item increase because of [REDACTED] closure could be 25X1A
transferred to the quick reaction facility for action.

Consideration may be given to establishing follow
up systems within PD and the [REDACTED]

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25X1A [REDACTED] similar to those employed by CCDB in order to have all
Logistics components on the same track.

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INTERDEPARTMENTAL SUPPORT BRANCH

1. The Interdepartmental Support Branch (IDSB) has an authorized Table of Organization (T/O) [REDACTED] 25X9
[REDACTED] are on board; however, the employee slotted in Position No. 2408 is physically located in SMB. On the other hand, IDSB has one non-slotted person awaiting assignment. The primary function of IDSB is procurement of materiel and services from and liaison with other Government agencies. Currently, there is no backlog in IDSB. Requisitions are being processed normally within 24 hours providing problems do not arise. There are a few problems which have arisen as a result of the reorganization in the Supply Division and old problems which have been recurring from time to time. These areas are identified below:

a. New Problems Surfaced Since Reorganization:

(1) Filing backlog in the Central Control and Distribution Branch (CCDB) has affected the workload in IDSB because up-to-date status information is not in the files. Status cards are received from other Government agencies on Agency requisitions and sent to IDSB which sends them to CCDB for the master voucher file. However, when these cards are not filed on a timely basis, unnecessary queries are directed to other Government agencies requesting status, i.e., the information is available within SD but not in the

(2) Requisitions are delayed in distribution to IDSB for action. In some cases we noted that requisitions had been in the Division several days before run-off copies were sent to IDSB.

(3) The files which are returned to CCDB occasionally are not returned to their proper location within CCDB and when a query is raised in the interim, delays are encountered in providing the information to the customer.

b. Old Problems Which Are Recurring:

(1) Complete ordering information is not being furnished by customers who prepare requisitions. Consequently, several queries must be made.

(2) Requisitions are received with extremely short deadlines that cannot possibly be met through other Government agencies. Poor planning in many cases on the part of the customer is evident.

(3) Split actions are assigned to the requisitions by SMB. A certain number of line items are assigned to PD for action and the remainder to IDSB, and vice versa.

2. Delays are being encountered in processing customer requisitions; however, these delays are caused primarily before the requisition arrives in IDSB.

3. Again, make an all out effort to eliminate the CCDB filing backlog.

4. Expedite distribution of run-off copies of requisitions to IDSB.

5. Ensure that when files are returned to CCDB prompt action is taken to return them to their appropriate location. Suggest that all files be hand-carried directly to the Master

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[REDACTED]

6. Encourage customers to prepare requisitions properly.

7. Advise customers to use prudence in planning more effectively and by establishing more realistic dates. Suggest that Logistics Notice LN 1-7 be distributed to all customers in the Headquarters area. LN 1-7 lists the organizational changes within the Supply Division and the effects on requisition

[REDACTED]

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These recommendations would also satisfy recommendations 4 above.

8. Eliminate to the extent possible split actions assigned to both PD and IDSB. The requisition should either be routed to one element or the other for action depending on the requirement.

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